

### **Remarks**

In view of the above amendments and the following remarks, reconsideration of the rejection and further examination are requested.

Claims 1-21 have been rejected under 35 U.S.C. §103(a) as being unpatentable over Russo (US 5,619,247) in view of Christopoulos (US 2001/0047517).

Claims 1, 8 and 15 have been amended so as to further distinguish the present invention, as recited therein, from the references relied upon in the rejection.

The above-mentioned rejection is respectfully traversed and submitted to be inapplicable to the claims for the following reasons.

Claim 1 is patentable over the combination of Russo and Christopoulos, since claim 1 recites a contents distribution system including, in part, a reproduction control section operable to reset a flag when billing conditions contained in management data are satisfied in a situation where a content with a predetermined special effect to a portion of the content is being reproduced in accordance with specific data and to reproduce the content without the predetermined special effect to the portion of the content in accordance with the specific data. The combination of Russo and Christopoulos fails to disclose or suggest these features of claim 1.

Russo discloses a system in which one or more pay programs are stored at a user's side (i.e., subscriber's site) that includes a cable converter box 4 and a record/play controller 10. A cable system 2 provides the pay program from a provider's side to the cable converter box 4 at the user's side. An output of the cable converter box 4 is connected to a television set 8 via a VCR 6, and the user can view the program on the television set 8. The record/play controller 10 includes various input devices. The user may select a program by using the various input devices. The selected program is then stored in a program storage unit 14 preferably at the user's side. If the cable system 2 is a uni-directional cable system, the record/play controller 10 performs payment processing for the selected program with respect to the cable system 2 via a communications link 12, and if the cable system 2 is a bi-directional cable system, the cable converter box 4 performs the payment processing with respect to the cable system 2. (See column 3, line 46 - column 4, line 21 and Figure 1).

Regarding the payment, it can become due in one of two different ways depending on how the system is set up. In a first configuration, the payment becomes due once the majority of

the program (i.e., some portion, but not the entire program) has been viewed. In the second configuration, the payment becomes due once the program is selected for viewing. The timing of when the payment to be charged is previously set in the system. Further, in the second configuration, once the user selects a program for viewing, the payment will be transferred to the provider. However, if the user terminates the viewing of the program shortly thereafter and does not resume viewing the program, the system will re-credit the user for the program. Accordingly, the user can enjoy a preview of the program free of charge. (See column 5, lines 1-32).

Regarding Christopoulos, it discloses a network that performs transcoding of multimedia data. The network includes a server 110 including a multimedia storage 113, a gateway 120 including a transcoder 125, and a client 135. The multimedia storage 113 stores multimedia data and transcoding hints, which are used for reformatting the multimedia data. If the multimedia data is a still image, the associated transcoder hints can be related to bit rate, resolution, image cropping and region of interest. When the client 135 requests the multimedia data from the server 110, the multimedia data can be reformatted by the transcoder 125 included in the gateway 135 based on the transcoding hints associated with the multimedia data and the capabilities of the client 135 prior to being forwarded to the client 135, so that the client 135 will be able to process the multimedia data. (See paragraph [0035] and [0036] and Figures 1 and 2).

According to Russo, the timing that the payment to be charged (payment timing) is previously set for the system at the provider side in order to avoid the entire program from being viewed by the user before payment. According to the first configuration, the user cannot view the program at all before payment is made. On the other hand, according to the second configuration, the payment timing is when the majority of the program has been viewed, and the user cannot view a portion (i.e., a reminder) of the program after the payment timing without making the payment. Therefore, in the second configuration which allows the preview of the program to be viewed free of charge, the viewing is restricted because it must be terminated shortly after starting and not resumed. As a result, according to Russo, the payment timing is previously set at the provider side, and, thus, the user cannot view (i.e., reproduce) a program (content) as many times or for as many hours as desired before payment.

Applying the specific data disclosed by Christopoulos to the system of Russo it is noted that specific data of Christopoulos restricts deterioration in content reproduction by cropping an

image of a partial region of the content such that the entire content can be reproduced sufficiently on a user's device even when the capabilities of a user's reproduction device are low. That is, in the case where the capabilities of the user's terminal are low, the original substance of the content cannot be reproduced sufficiently without the specific data of Christopoulos, whereas the original substance of the content can be reproduced sufficiently with the specific data of Christopoulos.

Therefore, when one of ordinary skill in the art applies the specific data of Christopoulos to the system of Russo, the specific data is naturally applied to a program in the system of Russo after the payment for the program is charged, when considering the case where the capabilities of the user's terminal are low. As a result, a system which is based on the combination of Russo and Christopoulos still has a problem, as described above, in that the user cannot view (i.e., reproduce) the program (i.e., content) as many times or for as many hours as desired before payment is made.

On the other hand, according to claim 1, the reproduction control section resets a flag when the billing conditions contained in the management data are satisfied in a situation where a content with the predetermined special effect to the portion of the content is being reproduced in accordance with the specific data and reproduces the content without the predetermined special effect to the portion of the content in accordance with the specific data. That is, the special effect is applied to the content to impede reproduction of an original substance of a portion of the content before the billing condition is satisfied (i.e., before the payment). Therefore, according to claim 1, it is not necessary to prevent the entire content from being viewed by the user before the payment. Further, it is not necessary to previously set the payment timing at the provider side. As a result, with the present invention as recited in claim 1, the user can reproduce the content as many times or for as many hours as desired before payment.

As above described, when the disclosures of Russo and Christopoulos are combined, they still fail to disclose or suggest the present invention as recited in claim 1 because of the problem of reproduction of the content before payment still remains in the combination of Russo and Christopoulos, and combination of Russo and Christopoulos and claim 1 are different in terms of how to apply the special effect. Therefore, even if Russo and Christopoulos are combined, it would not have been obvious for one of ordinary skill in the art to arrive at the present invention

as recited in claim 1. As a result claim 1 is patentable over the combination of Russo and Christopoulos.

As for claim 8, it is patentable over combination of Russo and Christopoulos for reasons similar to those discussed above in support of claim 1. That is, claim 8 recites, in part, resetting a flag when billing conditions contained in management data are satisfied in a situation where a content with a predetermined special effect to a portion of the content is being reproduced in accordance with specific data; and reproducing the content without the predetermined special effect to the portion of the content in accordance with the specific data, which features are not disclosed or suggested by the references.

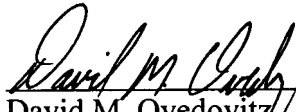
As for claim 15, it is patentable over combination of Russo and Christopoulos for reasons similar to those discussed above in support of claim 1. That is, claim 15 recites, in part, a content management data setting section operable to set management data, wherein the management data contains a flag indicating whether or not to apply a predetermined special effect to a portion of a content during reproduction, and billing conditions which need to be satisfied in order to reproduce the portion of the content without the predetermined special effect, and wherein the flag contained in the transmitted management data is configured to be reset when the billing conditions contained in the transmitted management data are satisfied in a situation where the content with the predetermined special effect to the portion of the content is being reproduced in the terminal device, and the content without the predetermined special effect to the portion of the content is configured to be reproduced in the terminal device, which features are not disclosed or suggested by the references.

Because of the above-mentioned distinctions, it is believed clear that claims 1-21 are allowable over the references relied upon in the rejection. Furthermore, it is submitted that the distinctions are such that a person having ordinary skill in the art at the time of invention would not have been motivated to make any combination of the references of record in such a manner as to result in, or otherwise render obvious, the present invention as recited in claims 1-21. Therefore, it is submitted that claims 1-21 are clearly allowable over the prior art of record.

In view of the above amendments and remarks, it is submitted that the present application is now in condition for allowance. The Examiner is invited to contact the undersigned by telephone if it is felt that there are issues remaining which must be resolved before allowance of the application.

Respectfully submitted,

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